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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/446,511	12/27/1999	RUDOLF RITTER	PM 265420	2426

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EXAMINER

HUSEMAN, MARIANNE

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 11/04/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/446,511

Applicant(s)

RITTER ET AL.

Examiner

M. Huseman

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 19 August 2002.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☒ The proposed drawing correction filed on 19 August 2002 is: a) ☒ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_ 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Double Patenting***

1. Applicants' terminal disclaimer has been received and entered into this application.

### ***Status of Claims***

2. Claims 1 – 26 remain in the application; claims 1 – 19 and 22 – 26 have been amended.

### ***Response to Arguments***

3. Applicant's arguments with respect to claims 1 - 26 have been considered but are moot in view of the new ground(s) of rejection. Notwithstanding the new art rejections, Applicants argue that none of the references disclose "checking the authorization of the customer in the terminal before the terminal sends a transaction document, via a public switched telephone network, to a service center". However, it is not clear from the argument as to whether the importance within that statement lies in that the authorization is given "before" the transaction document is sent or that there is no interaction of the terminal with the service center in order to obtain the authorization data. In both cases, the Examiner believes that those limitations are not necessary to the interpretation of Applicants' claim 1. In claim 1, it is stated that the "checking in said terminal authorization of said customer... taking place with authorization data which are transmitted to said terminal via a PSTN". Regarding the later case, it appears to the Examiner that authorization data is transmitted to the terminal via a PSTN and as this is not believed to be data from the customer card because that data is transmitted via a contactless interface, this authorization data must be transmitted to the terminal from somewhere else. In view of this apparent fact, the examiner has interpreted that the terminal is receiving authorization data from the service center; there is no limitation that the authorization is obtained without communication to the service center. Regarding the first case, there is no limitation within claim 1 requiring that a particular order be followed as to when the transaction document is sent to the service center. Therefore, it is the Examiner's position that her interpretation of claim 1 is not so limited as interpreted by the Applicants.

**Specification**

4. The disclosure is objected to because of the following informalities: On page 8, line 1, "2" should probably be - 2' -. Appropriate correction is required.

**Claim Rejections - 35 USC § 112**

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

6. Claims 1 - 26 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

In claim 1, it is stated that the mobile radio telephone comprises a mobile device, yet in claim 12, it is stated that the mobile device is contained in the terminal. The Specification describes the "mobile device" as being a GSM radio telephone, designated by element 1 of figures 1 or 2. It is not known as to what part of the terminal 2 or computer 2' is also described as a (or the same) "mobile device" as claimed in claim 12.

It is not known where in the specification there is disclosure for the **electronic** signature of the identification module to be checked in the terminal as is claimed in claim 5. See amendment to page 11, lines 5 - 8.

In claim 9, line 2, it is not known where in the specification there is disclosure for "customer blocking documents". This also applies to the "terminal blocking documents" of claim 10.

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1 - 26 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In claim 1, the entire preamble relates a mobile radio telephone and its interaction with an identification module, but in the body of the claim, there is no stated

relationship of the transaction being claimed to the mobile radio telephone; i.e., the telephone does not appear to be necessary to the transaction claimed. See MPEP §2172.01.

In claim 4, line 1, there is no proper antecedent basis for "the data transmitted from said mobile radio telephone to said terminal via said contactless interface". See also, the rejection of claim 1, above.

In claims 9, 10, 14 and 15, line 2, the phrase "with the aid" is considered to be idiomatic English and hence, it is not clear as to what exactly is being claimed.

In claim 19, there is no proper antecedent basis for "data elements".

In claim 21, it is not clear as to what is intended to be claimed; i.e., what is meant by the term "sic"?

In claim 22, it is not clear as to how or what is meant by "said document can be read or captured in said terminal"; i.e., is it that there is no need for the terminal to communicate with the server/clearing unit in order to complete, as well as collect payment for (capture), the transaction?

In claim 26, there is no proper antecedent basis for "said identification element".

***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 1 – 12, 15 – 19 and 21 - 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Vazvan and Vatanen in view of Pitroda and O'Mahony et al, "Electronic Payment Systems" (hereinafter referred to as O'Mahony et al).

Regarding claims 1, 2, 7, 16 – 18 and 21 - 23:

Vazvan discloses a mobile radio telephone such that the phone is used as a wallet to perform various types of transactions such as recharging the wallet and communicating to a seller's POS terminal for purchases. Vatanen discloses a separate SIM card that can be connected to the mobile phone for performing payment transactions, column 4, lines 11 – 19. Therefore, it is considered that it would have

been obvious to one of ordinary skill in the art at the time of the invention to have a separate card, as taught by Vatanen, but that can be combined with a phone, as taught by Vazvan as a matter of design choice.

Pitroda, figure 2, teaches a universal electronic transaction card and system for conducting electronic transactions such that Applicants' step of transmitting via a contactless interface reads on the transmission of information from the UET Card, element 20 to the interface unit, element 21, (element 21 is read to be included with the POS device (terminal), element 23) Applicants' step of checking customer identification reads on the sales person contacting the credit card service for authorization the CIU receives an authorization number from the service, Applicants' step of transmitting a transaction amount reads on figure 16 which is displayed on the card and the CIU unit, column 16, lines 54 – 65, (which information must be inherently transmitted to the CIU device in order for the credit card service to know how much to debit/credit to the customer's account), Applicants' step of charging the stored monetary amount reads on the credit card service (service center) inherently crediting the customer's account by the amount of the transaction (claim 2), column 16 lines 53 – 54, and Applicants' step of preparing a transaction document reads on the completed details of the sales transaction, columns 16 and 17, lines 65 – 67 and lines 1 – 6, respectively.

While Pitroda does not teach that the CIU/POS (terminal) electronically signs the completed details (transaction document) nor does Pitroda, Vazvan or Vatanen specifically teach the use of encryption/cryptography for the secure transmission of the information transmitted from the POS to the credit card server (service center), it is considered old and well known that POS terminals connect to the credit card service via the internet through a PSTN and, when transferring credit card information use various cryptographic protocols. O'Mahony et al, pages 113 – 116, teach the particulars of a merchant capturing payment from a payment server wherein cryptographic protocols are used to securely transmit transaction information when communicating via the internet. More particularly, Applicants' step of electronic signing, reads on the merchant signing a capture request (can be transmitted in batch form – claim 7) wherein the request contains transaction data, figure 4.39 (Capture Token – claim 22), Applicants'

step of checking the signature reads on the payment server verifying the request and Applicants' step of paying reads on the payment to the merchant account the amount of the purchase, bottom of page 115 to first paragraph of page 116 (claim 2). Therefore, it is considered that it would have been obvious to one of ordinary skill in the art at the time of the invention to utilize cryptographic techniques for communicating transaction information over a public network, if not inherent to Pitroda, Vazvan or Vatanen, as is taught by O'Mahony et al, as utilizing those techniques are a well-known secure method of communicating transaction information. Further, with regard to the combining of references, Vazvan and Vatanen to Pitroda and O'Mahony et al, Vazvan and Vatanen are cited as they teach the use of a mobile radio telephone, alone or with a separate card, for performing electronic transactions, Pitroda is used because he teaches more specifics on using a card for performing electronic transactions as well as using a contactless interface between a CIU/POS device and the card, and O'Mahony et al is used because they teach various methods for utilizing cryptography when performing electronic transactions between a card and a merchant (POS terminal - claim 16) and in a public network (such as the internet/PSTN).

Regarding claim 3:

O'Mahony et al, pages 102 – 103, illustrate the use of a merchant, customer, acquirer (clearing unit) and bank for card transactions. Purchasing methods have long been known to use acquirers (clearing units, archives, payment gateways, third parties, certification authorities etc...) and servers (banks, financial institutions etc...) as a means for conducting transactions between a merchant and a customer. Therefore, it is considered that it would have been obvious to one of ordinary skill in the art to use a clearing unit as well as a server as taught by O'Mahony et al in the system taught by Pitroda as a clearing unit would free up server usage and is usually less expensive as a result.

Regarding claims 4 and 6:

O'Mahony et al, page 109, teach the use of SET protocol wherein according to an aspect of the SET protocol, the customer (identification module) sends a digital

signature to the merchant who passes it on to the acquirer/service center as a means of informing the acquirer that the cardholder consents to the particular transaction.

Regarding claim 5:

Pitroda teaches that the signature of the customer is checked by the salesperson operating the POS device (terminal).

Regarding claims 8 – 10, 24 and 25:

While none of the references disclose black lists, a black list is considered to be an old and well-known technique for banks and retailers to keep track of cards (whether they are smart cards, debit cards, wallets or credit cards) that are lost or stolen or misused and to prevent those cards from being used in transactions. Therefore, it is considered that it would have been obvious to one of ordinary skill in the art at the time of the invention to utilize checking "black lists" as money could be lost to everyone legitimately concerned in the transaction.

Regarding claim 11:

Vatanen teaches that the transaction card is a SIM card. Pitroda also discloses that the UET card contains subscriber identity information.

Regarding claims 12 and 15:

Pitroda teaches that the card can utilize infrared or radiowave (transponder) communication with the CIU/POS.

Regarding claim 19:

O'Mahony et al teach various electronic payment systems wherein it is disclosed that some item information (voucher) transmitted between entities do not need to be encoded while for other items of information (within the same data transmission) are proper to be encoded. See page 81, Section 4.6.4 "CyberCash messages" of O'Mahony et al. Therefore, it is considered that it would have been obvious at the time of the invention to save processing time of the receiver of the items of information if only the information requiring privacy from eavesdroppers, etc... were to be encoded and not, for instance, the order information or client/transaction ID.



Regarding claim 26:

Pitroda teaches that the credit card service can interact with the UET card, column 16, lines 52 – 54.

11. Claims 13 and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Vazvan and Vatanen in view of Pitroda and O'Mahony et al as applied to claim 1 above, and further in view of Francini et al.

Although none of the references, Vazvan, Vatanen, Pitroda or O'Mahony et al specifically teach using an integrated inductance in the card, Francini et al teach a communication system for communicating with such a card, column 1, lines 7 – 16. Therefore, it is considered that it would have been obvious to one of ordinary skill in the art at the time of the invention to use an integrated inductance in any of the cards taught by the above references, particularly Pitroda or Vatanen as it is one of many well-known interchangeable choices for card communication.

12. Claim 20 is rejected under 35 U.S.C. 103(a) as being unpatentable over Vazvan and Vatanen in view of Pitroda and O'Mahony et al as applied to claim 1 above, and further in view of Yacobi.

Although none of the references, Vazvan, Vatanen, Pitroda or O'Mahony et al specifically teach the encryption method claimed, Yacobi, column 9, lines 47 – 51, teaches the combined usage of symmetrical and asymmetrical encryption for transmission of monetary information wherein the session key (symmetrical) is encrypted with the recipient's public key (asymmetrical). Therefore, it is considered that it would have been obvious to one of ordinary skill in the art at the time of the invention to use this type of encryption as it is believed to be one of many methods for the secure transmission of information.

### **Conclusion**

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to M. Huseman whose telephone number is 703-605-4277. The examiner can normally be reached on Monday - Friday, 6:30 AM - 3:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 703-305-9768. The fax phone

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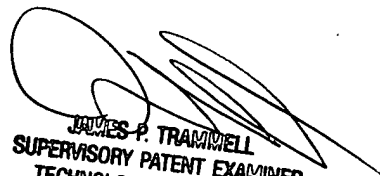
numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.



M. Huseman  
Examiner  
Art Unit 3621

mh  
October 28, 2002



JAMES P. TRAMMELL  
SUPERVISORY PATENT EXAMINER  
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